

The Board of Directors of the Company ("Board"), at their meeting held on May 22, 2024, have recommended a final dividend of ₹ 0.70 per equity share having nominal value of ₹ 2/- each for the financial year ended March 31, 2024, subject to the approval of the shareholders of IL&FS Investment Managers Limited ("the Company") at its ensuing Annual General Meeting

The dividend, as recommended by the Board and if approved at the ensuing Annual General Meeting, will be paid to shareholders holding equity shares of the Company, either in electronic or in physical form as on the record date, i.e. August 23, 2024

SEBI has now mandated that the physical shareholders, whose folio(s) do not have PAN, Choice of Nomination, Contact Details (postal address with PIN and mobile number), Bank Account Details and Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 1, 2024, upon their furnishing all the aforesaid details in entirety. Kindly ensure these details are updated with registrar to avail uninterrupted service request and dividend credit in bank account as **no dividend will be paid to physical shareholders by way of issuance of physical warrant with effect from April 1, 2024**

In terms of the provisions of the Income Tax Act, 1961 ("the Act"), dividend paid or distributed by a Company is taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ("TDS") at the time of payment of dividend. The deduction of TDS will be based on the category of shareholders and subject to fulfilment of conditions as provided herein below :

1) For Resident (Individual) Shareholders

TDS under Section 194 of the Act @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of resident shareholders, TDS would not apply if the aggregate of total dividend distributed / paid to them by the Company during a financial year does not exceed ₹ 5,000/-

TDS will not be deducted in cases where a shareholder provides Form 15G (applicable to resident individual) / Form 15H (applicable to resident individual aged 60 years and above), provided that the eligibility conditions are met. Blank Form 15G and 15H can be downloaded from the Company website - <https://www.iimlindia.com/tax-dividend.aspx>. Please note that all fields mentioned in the Form are mandatory and the Company may reject the forms submitted, if it does not fulfil the requirements of law

2) Valid Permanent Account Number ("PAN")

Needless to mention, valid PAN will be mandatorily required. The company will verify the status of the PAN from the Government enabled online facility and the same shall be considered as final

Please also note that where tax is deductible under the provisions of the Act and the PAN of the shareholder is either not available or PAN available in records of the Company /Registrar and Share Transfer Agent ("RTA") is invalid / inoperative, tax shall be deducted @ 20% as per Section 206AA of the Act

3) Aadhaar - PAN Linking - TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of Section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking

4) For Resident (Non-Individual) Shareholders

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of documents as listed below :

Sr. No.	Category of shareholders	Documents required
i)	Insurance Companies	i) Self-attested copy of : Certificate of Registration and PAN Card ii) Self-declaration and Documentary evidence to prove that the Insurance company qualify as Insurer in terms of the provisions of Section 2(7A) of the Insurance Act, 1938
ii)	Mutual Funds	i) Self-attested copy of : Certificate of Registration with SEBI and PAN Card ii) Self-declaration and Documentary evidence to prove that the mutual fund is a mutual fund specified under clause (23D) of Section 10 of the Act and is eligible for exemption
iii)	Alternative Investment Funds (AIF)	i) Self-attested copy of : Certificate of Registration with SEBI as Category I or Category II AIF and PAN Card ii) Self-declaration and Documentary evidence to prove that AIF is a fund eligible for exemption u/s 10(23FBA) of the Act and that they are established as Category I or Category II AIF under the SEBI Regulations
iv)	National Pension System Trust (NPS)	i) Self-attested copy of : Certificate of Registration and PAN Card ii) Self-declaration and documentary evidence supporting the exemption
v)	Any other Non-individual shareholders	Self-declaration along with the self-attested copies of documentary evidence supporting the exemption, if any and self-attested copy of PAN card

5) For availing the benefit of Lower/NIL Deduction Certificate

Shareholders who have provided a valid certificate issued u/s 197 of the Act for NIL / lower rate of deduction or an exemption certificate issued by the income tax authorities

6) For Non-Resident Shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)

Tax is required to be withheld in accordance with the provisions of Sections 195 and 196D of the Act @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-resident shareholder has an option to be governed by the provisions of the Double Taxation Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if such DTAA provisions are more beneficial to such shareholder. To avail the DTAA benefits, the non-resident shareholder will have to provide the following documents :

- i. Self-attested copy of PAN card, if any, allotted by the Indian Income Tax Authorities;
- ii. Self-attested copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident;
- iii. Form 10F filed electronically on the Indian Income Tax web portal pursuant to Notification no. 03/2022 dated July 16, 2022;
- iv. Self-declaration by the non-resident shareholder of meeting DTAA eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of Section 206AB of the IT Act);
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate;
- vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA)

The self-declarations referred to in point nos. (iii) & (iv) can be downloaded from the Company website - <https://www.iimlindia.com/tax-dividend.aspx>

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirements of Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend

7) Section 206AB of the Act

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of Act (effective from July 1, 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in Section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons :

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Where Sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN as well as not filed the return; the tax shall be deducted at the higher of the two rates prescribed in these two sections

The term 'specified person' is defined in sub section (3) of Section 206AB who satisfies the following conditions :

- (i) A person who has not filed the income tax return for the previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Act has expired; and
- (ii) The aggregate of TDS and Tax Collected at Source in his case is ₹ 50,000 for the said previous year

The above details shall be verified from the Government enabled online facility and the same shall be considered as final

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person

8) Transferring credit to the Beneficial owner

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules

9) NSDL Tax services facility

The Resident Non-Individual Shareholders i.e. Insurance companies, Mutual Funds and AIF established in India and Non-Resident Non-Individual Shareholders i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid timelines

To summarise, in case of following shareholders, the documents may alternatively be submitted through your custodian who is registered on NSDL platform :

- i) Resident shareholders - Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India
- ii) Non-Resident Shareholders - Foreign Institutional Investors and Foreign Portfolio Investors

10) General Instructions

- (i) To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents **not later than August 16, 2024**
- (ii) Shareholders are requested to send all the relevant requisite tax related documents mentioned above duly quoting their Folio No. or DP Id-Client Id to M/s Link Intime India Private Limited, Unit – IL&FS Investment Managers Limited, C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 or scanned copies can be sent at ilfsinvestdivtax@linkintime.co.in and investor.relations@iflindia.com

- (iii) Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder
- (iv) Shareholders holding shares under multiple accounts under different status/category (eg. Resident and Non-Resident) and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts
- (v) In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted
- (vi) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings
- (vii) Shareholders are also requested to update their records such as tax residential status, PAN, registered email addresses, mobile numbers, bank account details and other details with their relevant depositories through their depository participants (in case of demat holding) or with the RTA. Address for correspondence with RTA :

M/s Link Intime India Private Limited
Unit – IL&FS Investment Managers Limited
C-101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400 083
Email id : rnt.helpdesk@linkintime.co.in

- (viii) Kindly note that the Company is obligated to deduct TDS based on the records available with RTA and no request will be entertained for revision of TDS return. No communication on the tax determination / deduction shall be entertained after August 16, 2024

To summarise, dividend will be paid after deducting the tax at source as under :

1. NIL - for resident individual shareholders having valid PAN registered and receiving dividend from the Company upto ₹ 5,000/- (Rupees Five Thousand only) during the financial year
2. NIL - for resident individual shareholders in cases where duly filled up and signed Form 15G / Form 15H (as may be applicable) along with self-attested copy of the PAN card has been submitted
3. 10% - for other resident shareholders in case copy of valid PAN is provided/registered

4. 20% - for resident shareholders if copy of PAN is not provided / registered PAN is inoperative or invalid due to not being linked with Aadhar or resident shareholder is specified person under Section 206AB of the Act, as per compliance check utility of income tax department
5. TDS rate will be determined on the basis of documents submitted by the non-resident shareholders
6. 20% plus applicable surcharge and cess - for non-resident shareholders in case the relevant documents are not submitted
7. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act

The above mentioned rates will be subject to applicability of Section 206AB of the Act

Disclaimer: *The information set out herein above is included for general information purposes only and does not constitute legal or tax advice. Since the tax consequences are dependent on facts and circumstances of each case, the shareholders are advised to consult their own tax consultant with respect to specific tax implications arising out of receipt of dividend*